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FINANCING OF THE UNITED NATIONS PROTECTION FORCE

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General, submitted in the form of an advance draft on the financing of the United Nations Protection Force (UNPROFOR) for the period from 1 October 1994 to 31 March 1995 (subsequently issued as A/49/540). As indicated in paragraph 44 of the report, additional information or clarification requested by the Committee in its report dated 30 June 1994 (A/48/961) was to be provided in an addendum to the Secretary-General's report; the Committee was not provided with the addendum during its consideration of the Secretary-General's main report, although an advance draft was later submitted to the Committee (A/49/540/Add.1). The Committee also considered the Secretary-General's report on the Financial performance of UNPROFOR for the period from 1 July 1993 to 31 March 1994 (A/48/690/Add.4).

2. At the invitation of the Special Representative of the Secretary-General, the Advisory Committee visited UNPROFOR from 1 to 7 July 1994. During its visit to UNPROFOR, the Committee had an opportunity of meeting with the Special Representative and with the Force Commander. On its travel throughout the mission area the Committee was also extensively briefed by the Chief Administrative Officer and his staff and the civilian police, as well as by military personnel.

3. In accepting the invitation to visit UNPROFOR, the Advisory Committee took into account the increased complexity of the operation and the magnitude of resources involved in its financing. It should be recalled that the Committee visited United Nations peace-keeping operations (the United Nations Peace-keeping Force in Cyprus (UNFICYP), the United Nations Truce Supervision Organization (UNTSO), the United Nations Disengagement Observer Force (UNDOF) and the United Nations Interim Force in Lebanon (UNIFIL)) in April 1989. However, the number, size and complexity of such operations have increased



drastically since 1989, which has significant administrative and financial repercussions. The Committee was of the opinion that information received during its visit to UNPROFOR would contribute greatly to its understanding of actual conditions in the field.

4. In recent years the Advisory Committee has increasingly had to consider reports of the Secretary-General on the financing of peace-keeping operations within a short time-frame and on the basis of advance drafts; the Committee has agreed to do so in an effort to respond to urgent situations as well as to conform to the schedule of the Fifth Committee. Aside from the burden this practice has placed on the members and resources of the Advisory Committee, the Committee's ability to discharge its responsibilities has been considerably hampered by inaccuracies and deficiencies in the information provided to it in the draft reports. In addition, the Committee's requests for adequate supporting information or clarification are not always met in a timely fashion and consequently the Committee has had to adapt or reschedule consideration of certain items. For example, during its initial consideration of the above-mentioned reports in late October 1994, the Committee had requested a detailed analysis of the increase in the cost estimates for the period from 1 October 1994 to 31 March 1995 over the estimates for the previous six-month period. Comprehensive information was not provided until mid-November 1994, at which time the Committee was fully occupied with other pressing items such as its report on the administrative and budgetary aspects of the financing of peace-keeping operations (A/49/664).

5. In paragraphs 15 to 18 of document A/48/961, the Advisory Committee had commented not only on the specific shortcomings in the budget submission under consideration at that time (A/48/690/Add.3) but also on the format and presentation of UNPROFOR budget submissions in general. The Committee believes that the present submission (A/49/540) has several of the same shortcomings previously identified by the Committee. For example, in annex IV to the report, reference is made in paragraph 62, to the establishment of a radio station, while the cost estimate for equipment for the station is given in paragraph 297, without appropriate cross-referencing between the two paragraphs. The report thus does not facilitate a clear understanding of the requirements nor does it facilitate decision-making by the reviewing bodies. The Committee trusts that these shortcomings will be addressed in the next UNPROFOR submission.

6. The report of the Secretary-General (A/49/540) deals with the requirements of the operation for the period beginning on 1 October 1994. It may be recalled that UNPROFOR was established by the Security Council in its resolution 743 (1992) of 21 February 1992 and that its mandate has been extended by the Council in subsequent resolutions, the most recent of which was resolution 947 (1994) of 30 September 1994, extending the mandate of UNPROFOR until 31 March 1995. Annex I to the Secretary-General's report lists the various Security Council resolutions and the military strength authorized by each of these resolutions. The latest total military strength as shown in annex I is 748 military observers, 32,395 infantry personnel, 12,475 support personnel and 1,011 civilian police.

7. The total resources made available by the General Assembly to UNPROFOR since its inception up to 30 November 1994 as well as the amounts assessed are

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given in annex I to the present report. The operating costs for the period from 12 January 1992 to 30 November 1994 are given in annex X to the Secretary-General's report (A/49/540). That annex also shows the values of voluntary contributions in cash as well as in kind.

8. Information on humanitarian assistance, the status of assessed contributions and voluntary contributions is given in paragraphs 7 to 24 of the Secretary-General's report. With regard to voluntary contributions, the Advisory Committee notes from paragraphs 15 and 16 of the report that the services of a military Inspector General and one assistant from the Government of Switzerland were made available to UNPROFOR for a period of six months to look into allegations of impropriety by military personnel; the salaries of the Inspector General and his assistant were met by the Government of Switzerland, while related operational costs were covered by UNPROFOR. On inquiry, the Committee was informed that the costs consisted of items such as meals, accommodation, travel and transportation, but the Committee was not given an indication of the amount involved.

9. The Advisory Committee also notes that owing to the contribution of 50 cargo trucks from the Government of Germany, the cost estimates submitted for the period from 1 October 1994 to 31 March 1995 were lowered by a total amount of \$5 million. A cumulative list of voluntary contributions to UNPROFOR is contained in annex XI to the Secretary-General's report.

10. The Advisory Committee was informed that with regard to payments to troop-contributing Governments for contingent-owned equipment, as at the end of October 1994 payment of approximately \$154 million had been made, against an obligated amount of \$161,144,723 (A/49/540, annex IV, para. 41). It is not clear, however, on which basis these provisions had been computed or whether the provisions made in the relevant budgets concerned would allow for a full payment of the costs concerned.

Financial performance for the period from 1 July 1993 to 31 March 1994

11. As stated in paragraph 3 of the Secretary-General's report on the performance of UNPROFOR (A/48/690/Add.4), an amount of \$858,878,659 gross (\$854,162,759 net) was appropriated by the General Assembly for the nine-month period ending 31 March 1994. Expenditures for the same period are estimated at \$854,893,200 gross (\$850,667,700 net), resulting in an unencumbered balance of \$3,985,459 gross (\$3,495,059 net).

12. In annex II of the performance report the unencumbered balance of \$3,495,059 net has been identified under the heading of "savings", offset by overruns in expenditures.

13. One of the main areas of savings as indicated in annex II are associated with civilian personnel costs which, with the exception of overruns in expenditure for civilian police, are a result of the non-utilization of resources for international and local staff (\$3,446,600) and international contractual personnel (\$7,446,200). Similarly an unutilized balance of \$2,337,400 has been shown against infrastructure repairs and an amount of \$16,747,700 for communications. An amount of \$18,978,100 has been shown as

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savings for generators, some of which has been offset by expenditures for other categories of equipment, leaving an unutilized balance of \$16,742,600 against total estimates for equipment.

14. The overruns in expenditure as indicated in annex II are mainly from military personnel costs (\$10,566,700), premises and accommodation (\$8,129,800), transportation operations (\$4,288,200), air operations (\$2,273,400), supplies and services (\$11,070,700) and air and surface freight (\$6,424,100).

15. The reasons for overexpenditure and underexpenditure have been given in annex III to the report. The Advisory Committee believes that the extensive disparities between estimated and actual expenditure experienced in the period under review points to a lack of forward planning, inadequate coordination and shortcomings in the procurement process.

16. For example, as indicated in annex II of the performance report, there is an overexpenditure of \$14,758,400 for rental of premises. On inquiry, the Advisory Committee was informed that this increase was mainly owing to the fact that in view of the increase of 10,550 troops approved by the Security Council in June 1993, in its resolutions 842 (1993), 844 (1993) and 847 (1993), between June and September 1993 requisitions for 5,064 accommodation containers, 768 ablution containers and 1,266 generators were submitted, to provide accommodation facilities in that period.

17. However, the Advisory Committee was informed that, because of delays in procuring this material as well as the late arrival of contingent equipment and unit vehicles, an insufficient number of transport vehicles to carry the containers and the lack of engineers to erect the containers when they finally arrived at their destination, the troops could not be accommodated in the container camps as originally planned and consequently had to be accommodated in rental accommodations at a higher cost.

18. In addition, the Advisory Committee notes from paragraph 8 of annex III to the performance report, that "some military units arrived in the mission area without vehicles and armoured personnel carriers"; these troops could not be deployed without transport equipment and remained in hotels at Split (some for up to four months) while waiting for other Governments to donate the needed equipment; and once the equipment arrived, the troops had to be trained in the use and maintenance of that equipment. "Extended stays in hotels, the need to provide catering services for the troops and to rent warehouse space for contingent-owned equipment were not foreseen in the original cost estimates" (annex III, para.8). The Committee points out that this illustrates what is stated in paragraph 109 of its report (A/49/664).

19. The Advisory Committee appreciates that the constantly changing situation in the area of operation and frequent action by the Security Council to amend the mandate of UNPROFOR make it difficult to plan and predict requirements with absolute certainty. Nevertheless, the Committee believes that every effort should be made to ensure better planning and coordination, especially in the areas of procurement of goods and deployment of personnel.

20. During its visit to UNPROFOR in July 1994, the Advisory Committee's attention was drawn to difficulties relating to delays in the operation of the current system of procurement of goods and services for UNPROFOR. The Committee was informed that a possible solution to the problem of the delays could be a delegation of greater authority from New York to the headquarters of the operation as well as from the latter to the sectors of the operation. The Committee understands that the question of the delegation of authority to the field in both respects is under review by the Secretariat. As stated in paragraph 81 of the Secretary-General's report (A/48/945), it is his intention "to increase further the limits established for the local committees on contracts in the field missions and to expand authorized local procurement areas to more surrounding countries with versatile and competitive markets". The Committee's view on this matter, as reflected in paragraph 103 of its report (A/49/664), was that this should be done taking into account the related recommendations of the Board of Auditors on procurement in peace-keeping operations. 1/

21. The Advisory Committee was informed that another factor contributing to the problem was the time lag between the Security Council's mandating an activity and financial authority being received from the General Assembly. In this connection the Committee was informed that although requisitions were prepared during the period from June to September 1993, provision for the items of equipment mentioned in paragraph 14 above could only be included in the commitment authority approved by the General Assembly in its decision 48/470 A of 23 December 1993; this delay impacted on the procurement process since no action could be initiated prior to the approval of funds by the Assembly. The Committee requested but could not obtain a note on the various difficulties arising in this connection both at Headquarters and in the field.

22. For the regular budget of the United Nations the General Assembly appropriates financial resources on a sectional basis; for peace-keeping operations, financial resources are appropriated for the operation as a whole. The Advisory Committee believes that given the magnitude of the resources that are being appropriated for UNPROFOR, the feasibility of adopting a system for appropriation of resources similar to that for the regular budget should be considered; this matter is also being addressed in the context of the Committee's examination of the Secretary-General's report on the effective planning, budgeting and administration of peace-keeping operations (see A/49/664, paras. 49-53).

23. With regard to the format and presentation of the performance report on UNPROFOR, the Advisory Committee believes that although the document contains sufficient information, the information is not properly organized or cross-referenced and it is therefore sometimes difficult to reconcile the narrative with the tabular information. Moreover, the document is often repetitious. The Committee trusts that further refinements will be made in this regard in future performance report submissions.

Period from 1 April to 30 September 1994

24. The Advisory Committee recalls that in its report contained in document A/48/961 it had considered the requirements for UNPROFOR for the period from

1 April to 30 September 1994 and made its recommendations to the General Assembly. The Assembly, in its resolution 48/238 B had decided to appropriate an amount of \$850 million gross for the operation for the six-month period beginning on 1 April 1994. The Committee understands that the performance report for UNPROFOR for that period will be made available for consideration with the next budget submission for UNPROFOR. However the Committee was informed that, based on preliminary projections, an unencumbered balance of \$81 million is forecast in respect of this period.

25. Of that amount nearly \$58 million represents funds in respect of planned expenditure for procurement of items where the procurement process had not yet been initiated. As a result this expenditure is being deferred to the period from 1 October 1994 to 31 March 1995 as follows:

	United States dollars
Alterations and renovations to premises	1 568 000
Construction/prefabricated buildings	28 420 600
Purchase of vehicles	16 958 400
Accommodation equipment	325 700
Commercial communications (installation contracts for wiring of telephones)	300 000
Electronic data-processing equipment	2 041 900
Water and septic tanks	1 597 400
Public information equipment	<u>6 446 400</u>
Total	<u>57 658 400</u>

Cost estimates for the period from 1 October 1994 to 31 March 1995

26. The Advisory Committee notes that whereas the amount authorized by the General Assembly for the operation for the six-month period from 1 April to 30 September 1994 was \$850 million gross, the requirements indicated in annex III to the Secretary-General's current report for the six-month period from 1 October 1994 to 31 March 1995 are estimated at \$997,691,200 gross, an increase of \$147,691,200 or 17.4 per cent.

27. This increase is attributable mainly to recurrent costs as a result of the deployment of additional military and civilian personnel, an increase in the number of United Nations-owned vehicles and taxes imposed on fuel by the host Government. The following table summarizes the increases by object of expenditure.

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Changes in non-recurring/recurring costs,
1 October 1994-31 March 1995

(Thousands of United States dollars)

	<u>Cost estimate</u>	<u>Increase/(decrease)</u>	
		<u>Non-recurring</u>	<u>Recurring</u>
1. Military personnel	454 812.6	0.0	66 943.4
2. Civilian personnel costs	108 848.7	0.0	20 618.4
3. Premises/accommodation	125 009.7	7 721.2	26 233.0
4. Infrastructure repairs	8 690.0	191.0	0.0
5. Transport operations	120 996.6	7 669.0	10 696.7
6. Air operations	40 942.8	1 204.2	6 637.8
7. Naval operations	0.0	0.0	0.0
8. Communications	21 438.8	(657.3)	2 747.6
9. Other equipment	46 774.9	(17 168.0)	1 767.7
10. Supplies and services	42 912.2	0.0	8 456.4
11. Election-related supplies and services	0.0	0.0	0.0
12. Public information programmes	8 119.4	505.0	670.4
13. Training programmes	427.5	427.5	(282.2)
14. Mine-clearing programmes	1 421.5	(544.1)	(263.7)
15. Assistance for disarmament and demobilization	0.0	0.0	0.0
16. Air and surface freight	7 000.0	0.0	2 151.8
17. Integrated Management Information System	200.0	0.0	0.0
18. Support account for peace-keeping operations	4 280.9	0.0	593.5
19. Staff assessment	<u>5 815.6</u>	<u>0.0</u>	<u>1 371.9</u>
Total	<u>997 691.2</u>	<u>(651.5)</u>	<u>148 342.7</u>

28. Cost parameters as well as supplementary information regarding requirements for the period from 1 October 1994 to 31 March 1995 are given in annex IV of the Secretary-General's report.

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Military personnel costs

29. The cost estimates for the period from 1 April to 30 September 1994 provided for an average strength of 661 military observers, 35,396 contingent personnel and 784 civilian police, while the cost estimates for the period from 1 October 1994 to 31 March 1995 are based on an average strength of 728 military observers, 39,341 contingent personnel and 889 civilian police. The Advisory Committee was informed that this increase was based on the deployment of additional personnel authorized by the Security Council in its resolutions 908 (1994) and 914 (1994), an increase of approximately 11 per cent over the previous six-month period.

30. The Advisory Committee was informed that during the period from 1 April to 30 September 1994 it was planned to deploy 748 military observers and 40,420 military contingent personnel based on a phased-in deployment plan. However, the personnel could not be fully deployed as planned, therefore deployment of the additional personnel is reflected in the cost estimates for the period from 1 October 1994 to 31 March 1995.

31. The Advisory Committee notes from document A/49/540, annex IV, paragraph 11, that it is anticipated that 40,216 contingent personnel out of a total authorized strength of 44,870 will be deployed by the end of the current mandate period. As indicated in paragraph 31 of the same annex, the cost estimate provides for reimbursement to Governments for an average strength of 39,341 military personnel in respect of pay and allowances at the standard rate of \$988 per person per month for all ranks for a total of 236,046 person months (\$233,213,400), plus a supplementary \$291 for a limited number of specialists, consisting of 10 per cent of infantry personnel (\$5,557,300) and 25 per cent of logistics and support units (\$3,279,000) and includes an overlap factor of 0.5 per cent during rotation (\$1,210,300).

32. According to information provided to the Advisory Committee, the increase in military contingent personnel has also resulted in increases in provisions for death and disability compensation and reimbursement for use of contingent-owned equipment, rations and other related costs.

33. As indicated in paragraph 42 of annex IV, an estimate of \$8,200,000 has been included to provide for reimbursement to Governments for payments made by them to their military personnel in the event of death, injury, disability or illness resulting from service with UNPROFOR, based on an average payment of \$40,000. The Committee understands that in the event that no claims are made during a particular mandate or budget period, the amount budgeted to cover death and disability claims are retained in the UNPROFOR account.

Civilian staff costs

34. The Advisory Committee recalls that a total of 3,804 posts which were requested by the Secretary-General in his reports on the financing of UNPROFOR (A/49/690 and Add.1 and 2). Subsequently, 466 civilian posts were added in on replacement of 1,100 military logistics personnel and 300 construction engineers (see A/49/540/Add.1). In his reports to the Security Council (S/1994/291/Add.1, S/1994/333/Add.1 and S/1994/367), the Secretary-General estimated additional

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requirements of 1,849,153 and 28 posts respectively. The Committee points out that the posts referred to in the Secretary-General's report to the Security Council were based on preliminary estimates and were not subject to detailed analysis of the operational needs of the mission by the General Assembly.

35. In his report on the financing of UNPROFOR (A/48/690/Add.3) the Secretary-General had estimated a requirement of 6,600 posts for UNPROFOR (986 international staff, 3,359 local, 2,240 international contractual personnel and 15 in the Office of the Special Coordinator for Sarajevo which were later reduced on the recommendation of the Advisory Committee). The Committee recalls that the appropriation approved by the General Assembly for UNPROFOR for the period from 1 April to 30 September 1994 represented a reduction of the Secretary-General's request by \$10 million in respect of civilian staff costs. Thus, the General Assembly approved an overall financial allocation for civilian staff rather than a specific number of posts. The Advisory Committee was informed by representatives of the Secretary-General that on that basis 5,477 posts (744 international staff, 2,642 local and 2,091 international contractual personnel) were financed within the resources allocated for that purpose during the period from 1 April to 30 September 1994.

36. In its resolution 48/238 B, the General Assembly requested that a critical review of the proposals in the report of the Secretary-General (A/48/690/Add.3) be carried out for the level of civilian staff, including contractual personnel, with a view to achieving substantial reductions in the number proposed. The UNPROFOR revised staffing table of 6,300 posts in the Secretary-General's current submission (A/49/540) which reflects a reduction of 300 civilian posts from the level of 6,600 initially proposed by the Secretary-General in document A/48/690/Add.3 is in response to that request of the Assembly.

37. As indicated in document A/49/540, annex IV, paragraph 15, the cost estimate for 6,300 civilian staff would comprise a total of 978 international civilian staff (508 Professional and above, 138 Field Service, 26 General Service (Principal level), 288 General Service and 18 Security Service), 3,214 local staff and 2,108 international contractual personnel.

38. Although annex VI to the Secretary-General's submission (A/49/540) provides the current and proposed staffing tables and shows the areas and units where the reductions have been made, the Advisory Committee believes that the document should also have contained detailed information as to the rationale for the particular reductions and justified the level of resources required as requested by the Committee in paragraphs 32 to 37 of its previous report (A/48/961). Furthermore, in paragraphs 50 to 97 of annex IV of document A/49/540, the narratives only give broad descriptions of the functions of units instead of a specific workload analysis. Furthermore, the staffing table indicates proposed increases for the Administrative Section which is already quite large, with a high proportion of senior-level posts. The Committee recommends that a review be undertaken of the management structure in the civilian staff component.

39. As indicated in paragraph 17 of annex IV, the cost estimates for international staff include a 35 per cent vacancy factor and those for local staff include a 15 per cent vacancy factor. For the period from 1 April to 30 September 1994, the cost estimates for these categories were based on a

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vacancy rate of 45 per cent for international staff and 36 per cent for local staff. The Advisory Committee was informed that the lower vacancy rate used for the period from 1 October 1994 to 31 March 1995 had resulted in an increase in the cost estimates. The Committee was also informed that the actual vacancy rate as at 30 September 1994, based on a staffing establishment of 5,477, was 26 per cent for international staff and 7 per cent for local staff.

40. With regard to international contractual personnel, as indicated in paragraphs 18 and 106 of annex IV, provision for 2,108 international contractual personnel is based on an average annual cost of \$43,900 per person, including food allowance (\$37,016,500) plus hazard duty pay for staff in Bosnia and Herzegovina at the rate of \$867 per person per month (\$1,019,200). As indicated in paragraph 18 of annex IV, an amount of \$405 per person per month is included under rental of premises for accommodation of 2,108 personnel. A vacancy factor of 20 per cent has been included in the estimates; the Advisory Committee was informed that the actual range was between 20 and 22 per cent. The Committee requests that in his next report on UNPROFOR, the Secretary-General include information on the total resources provided for accommodation of international contractual personnel, including prefabricated housing and containers, and indicate to what extent these provisions are as a result of contractual requirements.

41. For reasons mentioned in the Secretary-General's report contained in document A/48/707, including a serious staff shortage in UNPROFOR, a pilot project for the recruitment of international contractual personnel was started in UNPROFOR to provide "a variety of support skills, especially in technical and trades areas" (para. 20). In its report on the administrative and budgetary aspects of the financing of United Nations peace-keeping operations (A/49/664) the Advisory Committee has commented extensively on various aspects of the question of international contractual personnel, including the fact that during its visit to UNPROFOR the Committee had observed instances where international contractual personnel appeared to be performing "core functions" rather than technical and trade related functions which was the original intent of the pilot project. Other concerns of the Committee are enumerated in paragraphs 69 to 71 of its report (A/49/664).

42. The Advisory Committee was informed that as at 30 November there were 1,461 international contractual personnel on board plus some 273 contracted for, but not yet in place. The Committee draws attention to its comments in paragraph 72 of its report (A/49/664) and recommends that the total number of international contractual personnel in UNPROFOR for the period from 1 October 1994 to 31 March 1995 should not exceed 1,500. Any contractual arrangements for additional personnel not yet on board should be adjusted to take into account this limit, with additional personnel being recruited only to fill vacancies as they arise. The recommendation of the Committee is notwithstanding its concerns as stated above and is intended to ensure that the operational requirements of UNPROFOR are not adversely affected. The Committee was informed that the estimated cost for 1,500 international contractual personnel for the period from 1 October 1994 to 31 March 1995 is \$33 158,300, excluding rental of \$3,645,000 at the rate of \$405 per person per month, compared with a budgeted amount of \$38,035,700 and rental of \$4,098,000 for 2,108 international contractual

personnel for the period. This results in a consequential reduction of \$4,877,400 and \$453,000.

43. The Advisory Committee recalls that in its report contained in document A/47/990, it had recommended that the use of United Nations Volunteers (UNVs) in peace-keeping operations should be expanded. The Committee notes that in UNPROFOR this cost-effective and efficient means of obtaining personnel has not yet been utilized. The Committee was informed that negotiations are under way for obtaining qualified personnel from this source. In paragraph 72 of document A/49/664, the Committee recommends that the Secretary-General "focus his attention on further developing the existing mechanisms and procedures and exploring available alternatives (more extensive use of United Nations Volunteers and personnel seconded by Governments and local staff) for the provision of additional personnel needed for the establishment or strengthening of a peace-keeping operation".

Additional activities approved by the Security Council

44. In its resolution 947 (1994) of 30 September 1994, the Security Council approved the proposals contained in the Secretary-General's report (S/1994/1067) concerning UNPROFOR activities in relation to mine-clearance, public information and civilian police. In this connection, the Advisory Committee notes that paragraph 49 of that report to the Security Council outlines the additional activities to be undertaken by the civilian police. While these activities can be undertaken from within existing resources, the establishment of an independent radio station and the acquisition of additional mine protective vehicles do have financial implications.

45. Estimated costs for equipment for the radio project are shown as \$6,955,400 in the table following paragraph 298 of annex IV to the Secretary-General's report (A/49/540).

46. With regard to staff resources, as indicated in paragraph 64 of annex IV, a total of 175 posts (68 Professional and above, 12 General Service and 95 local) are proposed for the Division of Information. The Advisory Committee believes that the number of posts for this service is excessive; the Advisory Committee recommends a review of these posts with a view to scaling down the number. Moreover, the Committee notes that there is no indication in the report as to whether the services of the Department of Public Information have been included in UNPROFOR's public information activities and if so what has been the effect on the cost estimates. In this connection the Committee draws attention to paragraphs 42 to 45 of its report (A/48/961).

47. As indicated in document A/49/540, annex IV, the table following paragraph 173, the estimated cost of 30 mine protective vehicles is \$7,500,000. These relate to the approval given by the Security Council in its resolution 947 (1994) for mine-clearing activities.

Procurement

48. The total estimate for the period from 1 October 1994 to 31 March 1995 for acquisition of supplies and equipment under various objects of expenditure amounts to \$293,335,300 as follows:

	<u>United States dollars</u>
Premises/accommodation	74 905 600
Infrastructure repairs	8 690 000
Transport operations	86 105 700
Air operations	36 622 800
Communications	11 407 600
Other equipment	46 774 900
Miscellaneous supplies	25 955 100
Public information	7 252 100
Mine clearing	<u>621 500</u>
Total	298 335 300
Voluntary contributions in-kind	<u>(5 000 000)</u>
Gross requirements	<u>293 335 300</u>

49. Experience has shown that significant underexpenditure in respect of a budget period has occurred in areas related to procurement (see para. 21 above). For example, as shown in paragraph 25 above, unencumbered balances related to procurement totalled nearly \$58 million during the period from 1 April to 30 September 1994. The Advisory Committee requested information on the level of procurement expected to be carried out in the period 1 October 1994 to 31 March 1995 but did not receive a reply. Taking into account the lengthy procurement process, the Committee doubts whether the entire amount of \$293,335,300 can be obligated during this period. Accordingly, the Committee recommends a deferral in an amount of \$55 million in the estimates for the period from 1 October 1994 to 31 March 1995.

Transport and air operations

50. As indicated in paragraphs 170 and 171 of annex IV to document A/49/540, an amount of \$46,793,100 has been estimated for the purchase of vehicles. The vehicles establishment shown in annex VIII of the same report reflects a total of 3,906 vehicles, an increase of 207 vehicles over the vehicle establishment shown in document A/48/690/Add.3. As indicated in A/49/540, annex IV, paragraph 172, the increase in the vehicle establishment relates for the most

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part to the need for additional trailers, snow scooters and mine protective vehicles. While the Advisory Committee believes that there is a need for specialized and utility vehicles, it does not believe that there is sufficient justification for the large number of passenger vehicles and jeeps as shown in annex VIII. This conclusion of the Committee is based, *inter alia*, on observations during its visit to UNPROFOR in July 1994 where at UNPROFOR headquarters at Zagreb it noted that there were a significant number of large passenger cars and that many UNPROFOR officials appeared to have exclusive use of a car. The Committee recalls the recommendation of the Board of Auditors that "the extensive use of vehicles in peace-keeping operations calls for a more realistic estimation of vehicle requirements to avoid waste". 2/ Accordingly, the Committee recommends a 10 per cent reduction in the estimate \$46,793,100 for vehicles. The Committee also recommends careful monitoring and control on the personal use of vehicles, with a requirement for reimbursement where applicable. In this connection, the Committee recommends that arrangements already in place or which may be contemplated to monitor usage and combat theft be carefully considered so as to ensure their cost effectiveness. Annex II to the present report contains the Regulations Governing the Use of UNPROFOR Vehicles.

51. With regard to rental of vehicles, although the Advisory Committee appreciates that "it is more economical and effective for UNPROFOR to lease specialized equipment for short periods of time than it is to purchase them" and that "it is also necessary for UNPROFOR to rent certain specialized vehicles until the vehicles to be acquired by the United Nations arrive in the mission area" (A/49/540, annex IV, para. 174), the Committee nevertheless believes that the estimate of \$5,975,000 for rental of vehicles is high, especially in view of the fact that the amount requested for purchase of vehicles is \$46,793,100.

52. Air operations and related activities are described in document A/49/540, annex IV, paragraphs 192 to 216, and annex IX. The Advisory Committee notes from annex IV, paragraph 197, that the helicopter fleet has been restructured to include three heavy lift MI-26 helicopters which meet the demand of eight S-61 and two CH-47 helicopters that were included in the previous cost estimates but not deployed.

53. As indicated in paragraph 189 of annex IV, the cost estimate for petrol, oil and lubricants is \$26,541,100. The Advisory Committee was informed that the increase in the costs estimates for fuel was due in the main, to taxes being imposed on these items, including aviation fuel. The Committee was informed that UNPROFOR was paying the charges under protest. In this connection, the Committee believes that a status of forces agreement is essential for dealing with such matters and for preventing unnecessary levies on United Nations operations. In a related matter, the Committee was informed that there had been a serious misappropriation of United Nations fuel and that the matter was under investigation.

Auditing

54. In its resolution 48/238 B, the General Assembly requested the Board of Auditors to report to the Assembly on whether the amounts provided for external audit were sufficient to ensure that the function was undertaken in accordance with generally accepted common auditing standards in order to enable

verification by the Assembly that the funds were sufficient and requested the Secretary-General, in consultation with the Board, if necessary, to submit budgetary proposals in that regard. The Assembly also requested an assessment of the resources necessary for the internal and external financial oversight of the Force.

55. The Secretary-General has indicated that an additional two oversight posts need to be provided in the UNPROFOR budget to augment the present coverage which is provided by one resident auditor and another at Headquarters in New York. The two additional posts are proposed to be filled by resident auditors.

56. The Board of Auditors informed the Advisory Committee that the external audit coverage of UNPROFOR would also be increased. For example, during the biennium 1992-1993 UNPROFOR was audited twice by the Board; it is envisaged that the audits will be doubled during the biennium 1994-1995, with an increased number of external auditors on site for a longer duration. The Committee was also informed that the cost of auditing UNPROFOR during the previous biennium was approximately \$140,500 and that for the current biennium the Board estimated the cost would be \$235,000 (\$117,500 per year).

57. While the Advisory Committee has always maintained that audit coverage for United Nations activities, including peace-keeping operations should be comprehensive and enhanced, the concept of resident auditors in peace-keeping operations is relatively new. The Committee believes therefore that the level and type of audit coverage provided to UNPROFOR by the resident and Headquarters-based auditors should be kept under review.

Conclusion

58. The specific reductions recommended by the Advisory Committee in paragraphs 42, 49 and 50 above with regard to international contractual personnel, procurement and vehicles total \$64,909,700. Accordingly, and taking into account its observations in the paragraphs above, the Committee recommends an appropriation of \$927,779,200 gross (\$921,963,600 net) for the period from 1 October 1994 to 31 March 1995 inclusive of the amount of \$280,000,000 authorized and assessed in accordance with General Assembly resolution 48/238 B. The Committee also recommends that the General Assembly decide to set off against the assessment on Member States their respective share in the unencumbered balance of \$4,942,780 gross (\$4,452,380 net) for the period from 1 April 1993 to 31 March 1994. With regard to the period after 31 March 1995, subject to action by the Security Council, the Committee recommends that as per his request the Secretary-General be authorized to enter into commitments beginning 1 April 1995 at a monthly rate not to exceed \$134,731,500 gross (\$133,702,200 net) with the prior concurrence of the Committee as to the exact amount to be committed and the period to be covered. With regard to the Secretary-General's request for a special financial period as contained in document A/49/540, paragraph 45 (e), the recommendations of the Committee with regard to financial periods and budget cycles are contained in paragraphs 27 to 35 of document A/49/664.

Notes

1/ Official Records of the General Assembly, Forty-ninth Session, Supplement No. 5 (A/49/5), vol. II, sect. II, para. 9.

2/ Ibid., para. 9 (h).

ANNEX I

Total resources and amounts assessed

	Gross (US\$)	Net (US\$)	Reference
1. Appropriated/authorized			
12 Jan.-14 Oct. 1992	251 500 000	250 000 000	Resolution 46/233 (para. 3)
12 Jan.-14 Oct. 1992	10 000 000	10 000 000	Resolution 47/210 A (para. 3)
15 Oct. 1992-20 Feb. 1993	290 049 500	288 313 900	Resolution 47/210 A (para. 4)
21 Feb.-31 Mar. 1993	27 759 900	27 269 300	Resolution 47/210 B (para. 7)
1 Apr.-30 Jun. 1993	141 193 575	139 477 002	Resolution 47/210 B (para. 8)
1 Apr.-30 Jun. 1993	86 391 325	86 655 798	Resolution 47/210 B (para. 8)
1 Apr.-30 Jun. 1993	55 000 000	55 000 000	Resolution 47 210 B (para. 9)
1 Jul.-30 Sep. 1993	200 000 000	198 257 825	Resolution 48/238 A (para. 14)
1 Oct.-31 Dec. 1993	195 000 000	193 257 825	Resolution 48/238 A (para. 15)
1 Jul. 1993-28 Feb. 1994	383 408 000	380 000 000	Resolution 48/238 A (para. 16)
1 Mar.-31 Mar. 1994	80 470 659	82 647 109	Resolution 48/238 A (para. 17)
1 Apr.-30 Sep. 1994	850 000 000	845 556 300	Resolution 48/238 B (para. 16)
1 Oct.-30 Nov. 1994	<u>280 000 000</u>	<u>277 557 600</u>	Resolution 48/238 B (para. 20)
Total	<u>2 850 772 959</u>	<u>2 833 992 650</u>	
2. Assessed			
12 Jan.-14 Oct. 1992	251 500 000	250 000 000	Resolution 46/233 (para. 4)
12 Jan.-14 Oct. 1992	10 000 000	10 000 000	Resolution 47/210 A (para. 5)
15 Oct. 1992-20 Feb. 1993	290 049 500	288 313 900	Resolution 47/210 A (para. 5)
21 Feb.-31 Mar. 1993	27 759 900	27 269 300	Resolution 47/210 B (para. 7)
1 Apr.-30 Jun. 1993	141 193 575	139 477 002	Resolution 47/210 B (para. 7)
1 Apr.-30 Jun. 1993	86 391 325	86 655 798	Resolution 47 210 B (para. 12)
1 Apr.-30 Jun. 1993	55 000 000	55 000 000	Resolution 47/210 B (para. 12)
1 Jul.-30 Sep. 1993	200 000 000	198 257 825	Resolution 47/210 B (para. 12)
1 Oct.-31 Dec. 1993	195 000 000	193 257 825	Resolution 47/210 B (para. 10)
1 Jul. 1993-28 Feb. 1994	166 479 800	165 000 000	Decision 48/470 A
1 Jul. 1993-28 Feb. 1994	190 708 700	189 615 800	Resolution 48/238 A (para. 18)
1 Mar.-31 Mar. 1994	80 470 659	82 647 109	Resolution 48/238 A (para. 18)
1 Apr.-31 Jul. 1994	286 292 886	283 640 310	Resolution 48/238 A (para. 22)
1 Apr.-30 Sep. 1994	535 446 476	533 595 521	Resolution 48/238 B (para. 17)
1 Oct.-30 Nov. 1994	<u>280 000 000</u>	<u>277 557 600</u>	Resolution 48/238 B (para. 20)
Total	<u>2 796 292 821</u>	<u>2 780 287 990</u>	

ANNEX II

Administrative circular, entitled "Regulations Governing the Use of UNPROFOR Vehicles" to all UNPROFOR United Nations personnel and list "H" personnel from the Chief Administrative Officer

1. Purpose

This circular is intended to advise drivers/users of UNPROFOR vehicles of the current regulations on the use of UNPROFOR vehicles and to acquaint them with their responsibilities with regard to:

- (a) Safeguarding personnel and property of UNPROFOR;
- (b) Ensuring safe and efficient operation of UNPROFOR vehicles to enable the mission to fulfil its task effectively and to minimize traffic accidents;
- (c) Maintaining good public relations with, and the goodwill of, the local authorities and population.

2. Use and assignment of UNPROFOR vehicles

General

- (a) Funds provided for the operation and maintenance of the UNPROFOR transport fleet are limited. Consequently authorized personnel should operate the Organization's vehicles in the most economical way and in a manner which will keep wear and tear of the equipment to a minimum;
- (b) UNPROFOR headquarters branches/sections and sector headquarters are issued with appropriate vehicles in accordance with the approved vehicle establishment for the purpose of performing the operational and administrative duties of the mission;
- (c) Vehicles for permanent assignment are allocated by the Vehicle Establishment Committee;
- (d) Vehicles in the Dispatch Pool are controlled by the Chief Transport Officer (CTO) and are used to fulfil additional and unforeseen day-to-day requirements of a temporary nature;
- (e) The UNPROFOR vehicle fleet, which consists of military-pattern vehicles (MPV) and standard commercial-pattern vehicles (SCPV), are managed jointly by the Chief Logistics Officer (C-LOG-O) and the CTO. The overall inventory control of all UNPROFOR vehicles rests with the CTO;
- (f) Under no circumstances should vehicles assigned to a particular battalion, unit, office or section be issued to personnel outside of their respective areas without prior approval of C-LOG-O or CTO;

- (g) Use of vehicles in sectors and other territories of former Yugoslavia:
- (i) UNPROFOR vehicles in sectors and other territories of former Yugoslavia are authorized to be driven on duty journeys. In addition, use of UNPROFOR vehicles in former Yugoslavia for welfare and liberty is permitted provided such use does not interfere with the smooth operation of the mission;
 - (ii) UNPROFOR vehicles are not permitted to cross into neighbouring countries of former Yugoslavia without the written approval of the Chief Administrative Officer (CAO);
 - (iii) Welfare trips apply to military personnel only (not United Nations Military Observers (UNMOs) or Civilian Police (CIVPOL)). UNPROFOR buses may be used for welfare purposes, provided 50 per cent of their seating capacity is occupied;
 - (iv) Vehicles assigned to both military and/or civilian components of UNPROFOR may be used locally in former Yugoslavia by their personnel for travel to and from residences and limited travel for shopping, banking and other similar use up to a maximum total of 50 kilometres per day;
 - (v) Use of vehicles by personnel for private purposes (other than those outlined in subparagraphs (iii) and (iv) above) such as after normal working hours, weekends and United Nations holidays is considered liberty and, therefore, such use is subject to reimbursement to the Organization;
 - (vi) Liberty vehicles may be requested from the Transport Vehicle Pool and issued subject to availability. Request forms are available from headquarters Transport Dispatch Unit;
 - (vii) Attached is a copy of a revised monthly trip ticket which must be completed by each individual driver. It is the responsibility of each user/driver to ensure each column of the trip ticket is properly completed, including records of all fuel and lubrication drawn as well as the exact locations where such fuel was drawn;
 - (viii) Justification of trips undertaken in Croatia in excess of 50 kilometres, which are considered duty by the user, must be provided in the appropriate column on the reverse side of the trip ticket and certified by the head of the appropriate unit. Failure to provide such certification will result automatically in liberty charges;
 - (ix) The maximum period vehicles may be used for liberty purposes is five days, including weekends and United Nations holidays.

3. Liberty use of vehicles

(a) All UNPROFOR international United Nations personnel, UNMOs and CIVPOL receiving a monthly subsistence allowance (MSA) are authorized to use UNPROFOR vehicles for liberty purpose. The requests for the use of UNPROFOR vehicles for liberty travel should be addressed to the Chief Transport Officer. In the case of staff assigned to sector headquarters all requests should be addressed to the Sector Transport Officer. Liberty trips undertaken by staff driving permanently assigned vehicles should clearly indicate kilometres travelled and locations visited. In all cases, the Chief Transport Officer is empowered to query and if appropriate report as "liberty" any trips undertaken by permanently assigned vehicles which are not specifically authorized by the responsible officer as "duty" and which do not have appropriate justification attached on the vehicle's monthly trip ticket;

(b) Completed monthly trip tickets of permanently assigned vehicles must be submitted to headquarters Transport Section or sector headquarters Sector Transport Officers (STOs) at the beginning of each month. In the case of other vehicles, the monthly trip tickets must be submitted immediately upon completion of the liberty trip.

4. Official travel shall include:

(a) Duty tasks which cover a wide range of operational and administrative (personnel, logistic, communications and finance) functions undertaken by the various lines of transport operating in support of mission operations. All movements within sectors by UNPROFOR vehicles are considered duty travel. Such duty travel/tasks can also include:

- (i) Travel to attend official functions to which military/United Nations personnel are invited;
- (ii) Travel to and from residence and place of duty in connection with duty performance (up to 50 kilometres per day as duty);
- (iii) Medical/dental travel subject to availability of transport, for physical examinations, medical or dental treatment and for other purposes certified by the COS/CAO/commanding officers as reasonably required in connection with duty requirements;

(b) Group welfare trips organized at UNPROFOR headquarters, sector headquarters or at battalions for military members of the force (not UNMOs or CIVPOL). Only UNPROFOR buses should be used and a reasonable number of people must participate in the trip (at least 50 per cent of the seating capacity of the vehicle should be occupied);

(c) Recreational trips (60-hour passes - military members of the force not receiving MSA): Subject to the exigencies of the service, United Nations vehicles may be used as duty for such trips at the discretion of the sector headquarters commander and, in the case of headquarters military personnel, the

branch head. Authority for such use of United Nations vehicles will only be granted when:

- (i) A minimum of three personnel, each in possession of an approved 60-hour recreational pass, participate;
- (ii) Copies of a minimum of three such approved 60-hour recreational passes are attached to the vehicle monthly trip ticket of the day on which the recreational travel commences;
- (iii) The vehicle is not required for operational purposes;
- (iv) UNPROFOR vehicles used by military members (not UNMOs or CIVPOL) for specific welfare purposes are considered to be duty and, therefore, their authorized passengers are exempt from reimbursement of the cost of such use.

This condition applies only to the authorized use of vehicles by three or more UNPROFOR military personnel (not receiving MSA), each in possession of an approved 60-hour recreational pass, with the exception of chaplain tours. All such travel must be covered by a formal 60-hour pass. The pass must be carried on the vehicle for the duration of the travel and be attached to the vehicle's monthly trip ticket.

5. Reimbursement

Charges for liberty mileage will be at the rate specified by headquarters. This rate fluctuates, but is currently US\$ 0.14 per kilometre. Any gasoline or engine lubricant which is obtained during a trip will be reimbursed by the Organization by deducting from the reimbursement charge for the vehicle itself.

6. Recovery of accident damaged vehicles (CTOs vehicles only) including breakdowns caused by technical failure

In case of accident or a breakdown, the driver should contact UNPROFOR headquarters and request assistance. The vehicle's recovery in most cases will be carried out by a commercial company and before it is able to initiate the recovery, the following information is required:

- (a) Vehicle registration number;
- (b) Make and model;
- (c) Exact location of the vehicle;
- (d) Driver's identification card number.

If a vehicle is on a liberty trip, it should be noted that a recovery charge is payable by the liberty vehicle user.

7. Monthly trip tickets

Monthly trip tickets must be kept with all vehicles at all times. It is the responsibility of every driver to enter all the information detailed in the columns of the monthly trip tickets. In particular:

- (a) The journey start and finish kilometre (mileage) readings;
- (b) Distance travelled by the vehicle for each completed trip;
- (c) The quantity of fuel and lubricants received. The receipts from the service stations are to be attached to the monthly trip tickets and handed to the CTO (STO for sectors) with the monthly trip tickets.

Completed monthly trip tickets for standard commercial-pattern vehicles (United Nations-owned vehicles) will be submitted to the CTO at the end of each month and, in the case of sectors, to each STO.
